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C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 002837

SIPDIS

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TAGS: [EFIN](#) [ECON](#) [PGOV](#) [PINS](#) [NI](#)

SUBJECT: NIGERIA: ABACHA FAMILY'S TIGHT GRIP ON LOOT

REF: A) ABUJA 01028 B) ABUJA 02276 (C) ABUJA 02767

CLASSIFIED BY AMB. HOWARD F. JETER FOR REASON 1.5 (B).

11. (C) Summary: Chances are fleeting that President Obasanjo will see USD 1.2 billion in stolen Abacha loot. Under pressure from Northern political leaders, Obasanjo released late military leader Sani Abacha's son Mohammed from prison September 24. With Mohammed's release, Obasanjo surrendered his best leverage over the Abacha family. Obasanjo, who hoped for both political and federal budgetary benefits from the purported "Mohammed's release for USD 1.2 billion" exchange, may now end up empty-handed. With Mohammed's release, the Abachas will likely use some of the purloined funds to finance Obasanjo's political enemies. This would be akin to an insurance policy against Obasanjo's recouping the entire USD 1.2 billion. If Obasanjo is defeated in his reelection bid, the Abachas can be fairly certain that the election victors will not pursue them, and definitely not with the alacrity of Obasanjo. End Summary.

Obasanjo's Gamble

12. (U) After almost three years of incarceration, Sani Abacha's eldest son Mohammed was released to a hero's welcome (by almost exclusively Northern well-wishers) on September 24. His release resulted from the public agitation of many of Obasanjo's Northern political foes, led by House Speaker Ghali Na'Abba.

13. (C) The private intervention of other Northern leaders such as Emir Bayero of Kano and the Kano State Governor Kwankwaso, an Obasanjo ally, were also crucial. In effect, Obasanjo's political foes had successfully turned Mohammed's detention into a political rallying point in the North. Mohammed symbolized Obasanjo's and the South's attempted "subjugation" of the North. With Mohammed turning into a martyr in the North, Obasanjo's few allies in the region came under heat to pressure the President to give Mohammed his freedom. (Comment: That the agitation for Mohammed's release came now was not coincidental. Believing Obasanjo was on the ropes because of the impeachment attempt, his foes did not want him to score a political or budgetary benefit by getting his hands on the Abacha trove. Adding insult to Obasanjo's injury, The Abachas apparently are pursuing a lawsuit to thwart Obasanjo's attempt to freeze their foreign bank accounts. End Comment.)

14. (SBU) (Note: As part of an earlier deal to release Mohammed, the Abacha family agreed to return USD 1.2 billion taken during Sani Abacha's regime. The GON also agreed to dismiss the murder charges against Mohammed for the assassination of Kudirat Abiola. When the murder charges were dismissed, the GON kept Mohammed in detention because the family did not hand over the USD 1.2 billion. End Note)

15. (C) Since Mohammed's release, the Abacha mansion in Kano has received an endless stream of visitors. Most have been politicians seeking publicity and many no doubt rushed there hoping to get their eager fingers on some Abacha loot. Some have even urged Mohammed to run for office. While Mohammed probably will demur, the family will likely channel money to one of the anti-Obasanjo parties. In that former head of state Babangida supports the UNPP and NDP, chances are the Abachas will direct their support to the ANPP, and they may end up supporting its most salient candidate, former military ruler Mohammedu Buhari, another

popular figure in Kano. However, House Speaker Ghali Na'Abba has his eyes on the presidency and his remote dark horse chance in the PDP can be boosted by an injection of funds.

Comment: Abachas Play for Time

16. (C) It looks like Obasanjo has been finessed by the Abacha family and their allies. Due to pressure from Northern politicians, Obasanjo released Mohammed, giving up the only real leverage he had to get the funds. In exchange, the Abacha clan gave him promises of questionable legal enforceability. Additionally, it would be politically awkward for Obasanjo to publicly acknowledge that all he had in hand was an agreement but no money.

17. (C) From the Abacha perspective, there is no incentive to hand Obasanjo USD 1.2 billion. Obasanjo is an embattled president facing a serious impeachment threat. Moreover, his term is up in several months and people are telling the Abachas that Obasanjo will not be re-elected. Thus the Abachas' interests are better served by temporizing with Obasanjo while using a portion of the money to fund his opposition to better ensure Obasanjo's defeat. Given Nigeria's monetized politics, a portion of the USD 1.2 billion would make the Abacha family major stakeholders in the upcoming elections. This would be an ironic, unfortunate twist of fate from 1998 when Sani Abacha's death placed the family in disrepute and opened the door to democratic elections that brought Obasanjo to office. End Comment
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